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6 September 1951

CIA No. 49333

Copy No.

39

DAILY DIGEST

Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

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DIA , DOS and USAF review(s) completed.

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SECTION 1 (SOVIET)

1. USSR. Yugoslavia expects Soviet proposal for Five Power Pact at UN General Assembly: The Soviet Union will propose a Five Power Pact as its main theme at the 6th UN General Assembly Session this November, in the opinion of the Yugoslav UN delegate. The Yugoslav delegate thinks the USSR will present a completely drafted project at the meeting and has urged his government to develop a counterplan. [REDACTED]

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Comment: At previous sessions of the General Assembly, the USSR introduced general proposals around which its propaganda themes rotated, such as prohibition of atomic weapons, reduction of armaments, and condemnation of preparations for a new war. The proposal for a Five Power Pact was introduced during the 1949 session and repeated in 1950 but never enumerated any specific terms for such a pact. Reintroduction of the idea this fall would coincide with the completion of the Communists' Five Power Peace Pact signature campaign.

2. Soviet ship Smolny to repatriate 8 Japanese POWs: The Soviet freighter Smolny, cleared for entry into Tokyo between 4 and 10 September, will repatriate 8 Japanese POWs, according to a note sent by the Soviet member of the Allied Council on 1 September. The names of the repatriates were given but no explanation for their repatriation. [REDACTED]

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Comment: The first notice regarding the arrival of the Smolny in Tokyo between 4 and 10 September stated that the freighter would bring supplies to the Soviet Mission but did not mention that it was also carrying 8 Japanese POWs. There is no information to indicate the purpose for repatriating these POWs at this time, particularly in view of the TASS announcement in April 1950 that Japanese repatriation had been completed. However, the fact that the present arrival was announced by a member of the Soviet Mission suggests that it is a propaganda gesture, timed to coincide with the San Francisco Conference, to keep alive the hope of further repatriation and to give impetus to the Japanese Peace Partisan activities scheduled for September.

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4. POLAND. Severe shortage in retail meat supply reported: A severe shortage in the supply of meat for retail sale has developed in Poland -- a country which generally has a meat surplus. In evidence for the past two months, the shortage has now apparently reached an acute stage as indicated by the government's steps to counteract public resentment and to improve meat supplies. A discriminatory meat rationing program has been instituted to benefit workers in "certain industrial regions".

The government has announced its new livestock purchasing program, designed to increase deliveries during the next year. Special incentives, including coal, have been offered to the peasants to increase their deliveries of livestock. Finally, a campaign of propaganda and arrests has been started against alleged food speculators.

Comment: There are no indications that the shortage is due to intensive stockpiling, although this possibility cannot be ignored. It seems more likely that it results from a seasonal lull in meat production which has had the effect of aggravating an already persistent shortage caused by priority export commitments.

5. YUGOSLAVIA. Albanian border raid causes official concern: Yugoslav officials are concerned about a successful raid by some 60 Albanian soldiers into Yugoslav territory on 2 September, presumably to kidnap certain Albanian refugees. According to Deputy Chief of Staff Manola, it was the first large scale raid by Albanian soldiers. The Yugoslav

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25X1 Foreign Office believes that the raid was ordered by the Cominform in order to present a picture of Yugoslav irresponsibility and inability to control its troops. [REDACTED]

Comment: According to Yugoslav officials, border provocations all along the Yugoslav periphery have increased greatly since May, and there are indications that Satellite border guards are making bolder and more aggressive incursions into Yugoslavia. Many of these incidents probably result from the efforts of Cominform border guards to apprehend Satellite nationals attempting to flee across the border. The Albanian raid may have been made to discourage the increasing number of Albanian flights to Yugoslavia.

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SECTION 2 (EASTERN)

1. PAKISTAN. Polish ship supplied with Pakistani Navy oil: The Pakistani Government has supplied 200 tons of fuel oil to the Polish vessel Kilinski, which is believed to be ready to sail from Karachi with a full cargo of cotton for Communist China. The ship was fueled during the night of 30 August from a naval tanker anchored in Karachi harbor. Regret over the action was offered US Ambassador Warren by the Commander in Chief of the Pakistani Army and by the Secretary of Defense, who assured him that nothing of the sort would reoccur. [REDACTED]

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3. INDIA. Leftist splinter groups merge in Delhi: A branch of the extreme left-wing Socialist Party was formed in Delhi on 26 August by the Revolutionary Socialist Party in collaboration with the Communist Party of India, the Revolutionary Communist Party and the Forward Bloc. The group, headed by Mrs. Asaf Ali, is reported by the press to believe in revolutionary action rather than in elections as a means to power. [REDACTED]

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Comment: The Delhi group apparently differs in its purposes from the one formed in Bombay in early July, which was organized to oppose the Congress Party in the elections. [REDACTED] No information is available on current activities of the original Bombay group. Mrs. Asaf Ali, who is a leading spirit in both these groups, was expelled from the Socialist Party in April of this year for Communist tendencies.

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4. BURMA. Burmese estimate KMT strength: An official Burmese War Office report claims that there are 7,300 Chinese Nationalist troops in the Wa States of northeast Burma and 4,400 farther south in Kengtung State. according to the US Military Attache in Rangoon. [REDACTED]

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5. INDOCHINA. French general discounts Chinese aid to Viet Minh: During a discussion of reports that the Chinese Communists are sending quantities of arms and ammunition to the Viet Minh, General Linares, commander of French forces in North Vietnam, told the US Consul that he "doubted the Chinese were letting the Viet Minh have much." [REDACTED]

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Comment: Earlier this year Linares made the same statement with respect to reports of large-scale Chinese aid. There is good evidence that the Viet Minh pays for at least a part of what it gets, but available evidence does not permit quantitative assessment of this aid. The fact that the Viet Minh has not obtained from China urgently needed antiaircraft weapons suggests that the bolstering of Viet Minh capabilities is not regarded as a high priority operation by Peiping. The fact that the Viet Minh has never had ammunition for more than a few days' offensive indicates that the volume of arms traffic from China is lower than has sometimes been reported. However, Chinese aid to Ho's forces may be substantially increased as a result of a Viet Minh delegation's visit to Peiping in July and August.

6. CHINA. Chinese students being sent to USSR. Chinese Communist officials in South China reportedly conferred with Soviet consular representatives in Canton on 29 July and decided to send 300 young men and women to the USSR for "advanced study." [REDACTED]

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Comment: Although this particular report is unconfirmed, Peiping radio has recently noted that a number of Chinese students are being sent to the USSR. Such a program is of short-range benefit to Communist China, which needs trained workers in all fields, and of long-range benefit to the USSR, as many of the students presumably will come to believe that their first loyalty is to Moscow.

7. Chinese students get job assignments: The Communists announce that more than 99 percent of North China higher school graduates "have complied with the uniform assignment of the Nation." Most of the students were assigned to jobs in North China (including Inner Mongolia) and in Manchuria. According to the Communists, reports delivered by government officials "greatly consolidated the decision of the students to comply"

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25X1 [] with official decisions assigning them to specific jobs. [] 25X1

Comment: Graduates of middle schools and colleges in China now receive their job assignments from the government. The job assignment program, initiated early this summer, has met with some opposition from students who were reluctant to take up duties in frontier areas. The Communists, however, allege that students have been "won around" to the job assignment program.

8. JAPAN. North Ryukyu islanders desire restoration to Japan: The Japanese press service, Kyodo, reports that all inhabitants of the Amami Oshima Islands, the Northern Ryukyus, are observing a one day fast, beginning on 5 September, to mark the opening of the San Francisco Conference. The islanders are prepared to display flags at half mast in the event the proposed US Trusteeship of the Ryukyus is formally announced instead of the restoration of the islands to Japan. [] 25X1

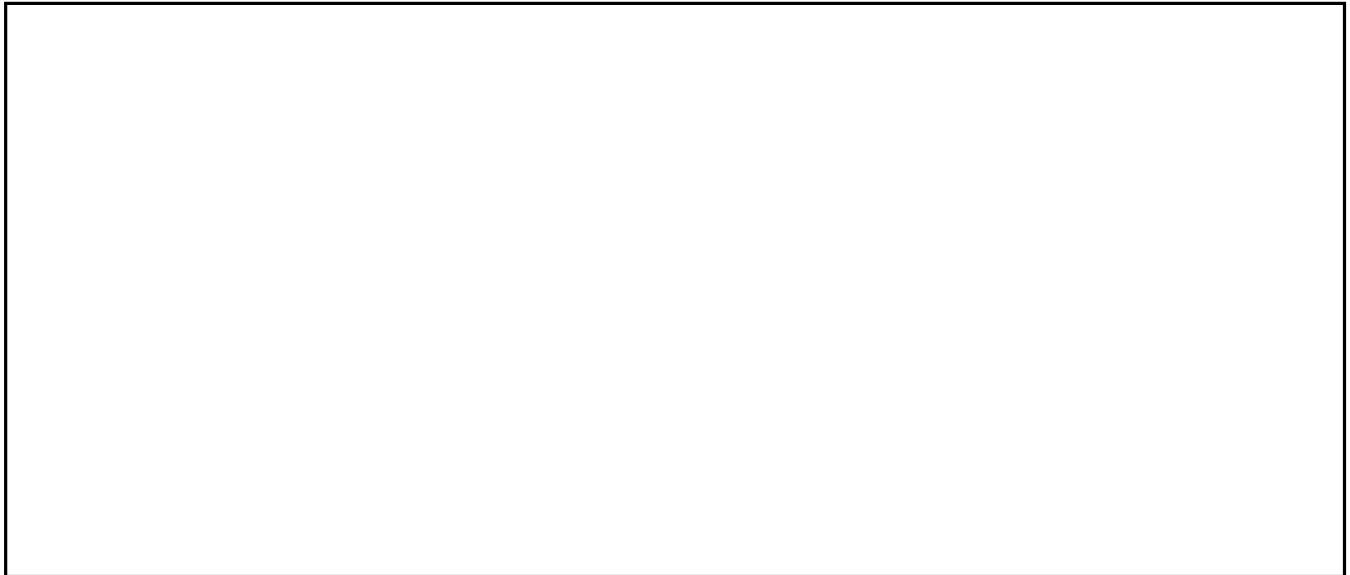
Comment: The inhabitants of the Northern Ryukyus, which were administered as a part of Japan's Kagoshima Prefecture for many decades, have a very genuine desire to return to Japanese rule. Ryukyuans to the south of Amami Oshima apparently do not have such strong convictions.

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SECTION 3 (WESTERN)



2. AUSTRIA. Soviet repatriation mission in French zone regarded as intelligence center: With the departure of the Soviet mission from the British zone on 23 August, Soviet repatriation activities are now confined to the French zone of Austria. Inasmuch as the three-member mission is permanently accredited by the French authorities and is allowed considerable freedom of movement, it is regarded by the US Legation as a center useful to the Soviet authorities for espionage purposes. Despite observation by escort officers, members of the mission can engage in intelligence activities through personnel hired by the mission and through contacts among displaced persons.

[REDACTED] It is believed that the French authorities will tolerate the Soviet contingent so long as a French repatriation mission remains in Moscow. Repatriation activities in the British and US zones will in the future be handled on a case basis, thus permitting closer supervision of Soviet officials. [REDACTED]

[REDACTED] What pressures were exerted by British authorities to secure the Soviet departure have not been reported. When a Soviet group in Salzburg attempted last May to barricade itself in its establishment, the American authorities, by ruse and force, finally escorted the recalcitrant contingent across the zonal boundary. Retaliation, in the form of refusal of zonal transit permits for US citizens, proved short-lived.

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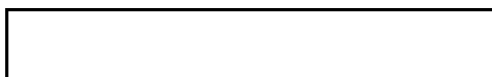
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3. JAPAN/INDIA. Nehru not proposing separate Asian peace pact: (The Department of State is concerned over press reports that Prime Minister Nehru had told the Indian Parliament that Asian countries may hold a Japanese conference of their own after the US-sponsored one ends.) Ambassador Henderson, after preliminary conversations with Indian officials in New Delhi, is inclined to believe that Nehru's remarks were either misinterpreted or distorted. Nehru reportedly had discouraged Burmese proposals for such a pact, since he did not wish to give the US the impression that he was encouraging any Asian nation not to sign the US-UK draft, and therefore he has refrained from any discussions. Henderson believes, however, that Nehru might decide to hold such a conference, ~~after San Francisco~~ presumably to strengthen his influence over Burma and Indonesia, and his future position with extreme nationalistic and socialist anti-American elements in Japan.

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Comment: Mosaburo Suzuki, a former Communist and currently leader of the Japan Socialist Party, visited Nehru shortly before India's decision not to attend the conference was made. It is likely that Nehru's decision may have been influenced to some degree by Suzuki's comments, which in turn were colored by his party's opposition to the Western treaty draft.

4. JAPAN. Restrictions on Japanese foreign relations to be eliminated: The Department of State has concurred in a proposal to eliminate the present restrictions on correspondence between the Japanese Government and foreign

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diplomatic missions, to become effective after signing of the peace treaty.

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Comment: Japan's foreign relations will remain technically under the control of SCAP until the treaty comes into force. The extent to which these powers will be restored to Japan in the interim is dependent upon several factors, including the course of the war in Korea, personnel limitations within the US Mission and the increased volume of Japan's diplomatic negotiations.

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